



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
OPPOSING
SB-39, AAC THE MINIMUM FAIR WAGE AND EMPLOYEES WHO CUSTOMARILY AND
REGULARLY RECEIVE GRATUITIES
BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 3, 2016**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut strongly opposes Senate Bill 39, which would hurt not only various small businesses in the hospitality industry, but also their current and future potential employees. While this measure is no doubt backed by good intentions, it is bad policy, especially at present. Facing high utility costs, taxes, record unemployment insurance assessments, continuously rising costs in healthcare, the fluctuating costs of food products, and reduced customer demand, the struggle for many small employers in the food and hospitality services industry is real. In an industry that has tight margins, any state mandated increases in labor costs, let alone such a dramatic percentage of an increase as contemplated in this bill, will result in fewer hours and fewer jobs, as small businesses express reluctance to increase prices for consumers. Not only will small businesses and their consumers be negatively affected, but also first-time employees face the biggest risk of being priced out of the job market by a minimum wage hike for tipped employees in the hospitality sector. SB-39 further frustrates small businesses in the hospitality sector and adds to their uncertainty by once again "changing the rules of the game" for these small employers.

Thank you for the opportunity to comment, and NFIB urges lawmakers to take no action on SB-39.